

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-382-E - ORDER NO. 2013-776

NOVEMBER 8, 2013

IN RE: Petition of South Carolina Electric & Gas) ORDER GRANTING
Company for an Accounting Order) PETITION FOR
Regarding Interest Rate Swap Contracts) ACCOUNTING ORDER
) REGARDING INTEREST
) RATE SWAP
) CONTRACTS

Pursuant to S.C. Code Ann. § 58-27-1540, this matter comes before the Public Service Commission of South Carolina ("Commission") on Petition of South Carolina Electric & Gas Company ("SCE&G" or "Company") for an Accounting Order Regarding Interest Rate Swap Contracts. Specifically, SCE&G seeks authority to (1) utilize any gains from the settlement of existing interest rate derivative instruments for the benefit of its customers through offsetting fuel costs or offsetting interest expense; (2) defer any gains or losses from future interest rate derivative contracts as regulatory liabilities or assets; and (3) utilize any gains from the settlement of future interest rate derivative instruments for the benefit of its customers through offsetting fuel costs or offsetting interest expense. The Company states these derivative financial instruments will allow SCE&G to hedge its exposure to interest rate volatility and effectively "lock in" current market interest rates in advance of planned debt issuances.

The Office of Regulatory Staff ("ORS") has reviewed this matter and has no objection. We approve SCE&G's Petition. SCE&G shall inform the Commission and

ORS of all interest rate swaps, once realized, in which SCE&G employs this regulatory accounting treatment and how any gains or losses were applied. Further, we note that this Order will not prejudice the right of any party to address these issues in a subsequent general rate proceeding.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:



Nikiya Han, Vice Chairman

(SEAL)